

Federal Emergency Management Agency

Washington, D.C. 20472

MEMORANDUM FOR: FEMA Regional Directors
Regions I -X

ATTENTION: FEMA Insurance and Mitigation Division Directors
FEMA ARP Division Directors
Regions I-X

FROM: Robert F. Shea, Acting Administrator
Federal Insurance and Mitigation Administration

Patricia A. English, Senior Procurement Executive
Financial and Acquisition Management Division

DATE: 18-JUN-02

SUBJECT: Guidance on Periods of Performance

This memo and its attachment outline the Federal Emergency Management Agency's (FEMA's) revised guidance on periods of performance for the Hazard Mitigation Grant Program (HMGP). The purpose of this guidance is to provide more detailed information regarding period of performance deadlines for FEMA's HMGP grants. This guidance has been developed as part of the effort to strengthen grants management and to expedite project and disaster closeout.

This program policy applies to all grant and cooperative agreement awards (including sub-grants) that are made under the Hazard Mitigation Grant Program. It applies to all FEMA Headquarters and Regional Offices with responsibilities for that program and its awards. This program policy is effective for all new grant awards made on or after the date of this memo.

In an effort to use HMGP grant funds more efficiently and effectively, this policy requires that all funds to subgrantees will be disbursed, and all activities completed, not later than three (3) years from the date of the grant award to the State. This deadline can be extended if necessary, but only in unusual circumstances.

In order to request a period of performance extension, the State must submit a formal written request to the Regional Director. The request must be made no later than 60 days prior to the expiration of the period of performance and must include a justification for the extension. This justification must also demonstrate that work is in progress and that it can be completed within the extended period of performance. After reviewing the justification, the person in the Regional Office with signature authority for grants may extend the period of performance by one year if it is determined that unusual

circumstances exist. If a second extension becomes necessary, the State must submit an additional formal, written request to the Regional Director, who will make a recommendation and submit the request to the Senior Procurement Executive, Administration and Resource Planning (ARP) Directorate at Headquarters. As with the first request, the second extension request must be made no later than 60 days prior to the expiration of the period of performance and must include a justification for the extension. The justification must also demonstrate that work is in progress and can be completed within the extended period of performance.

As a result of this policy and in keeping with program regulations in 44 CFR 13.50 (d) (2), any funds not disbursed by the grantee within the approved performance period will be deobligated and returned to FEMA.

The attached guidance will give you more specific information regarding this policy decision as well as some background on the issue. An outline for extension request justifications is also attached. If you have any questions about this policy, please have your staff call Carrie Herndon at (202) 646-4330.

Attachment

Period of Performance Guidance for the Hazard Mitigation Grant Program

1. Purpose

The purpose of this guidance is to provide more detailed information regarding period of performance deadlines for Hazard Mitigation Grant Program (HMGP) grants. This guidance has been developed as part of the Federal Emergency Management Agency's (FEMA's) effort to strengthen grants management and to expedite project and disaster closeout.

2. Applicability

This program policy applies to all grant and cooperative agreement awards (including sub-grants) that are made under the Hazard Mitigation Grant Program. It applies to all FEMA Headquarters and Regional Offices with responsibilities for that program and its awards.

3. Effective Date

This program policy is effective for all new grant awards made on or after the date of this memo.

4. Program Policy

a. General

All funds to subgrantees will be disbursed, and all activities completed, not later than three (3) years from the date of the grant award to the State.

b. Extension Requests

The State may request in writing that the Regional Director extend the period of performance for up to one (1) year, if unusual circumstances exist. The request must be made no later than 60 days prior to the expiration of the period of performance. The Grantee must include a justification in its request for an extension and must demonstrate that there is work in progress that can be completed within the extended period of performance. The Regional staff member who has signature authority for grants can approve extension requests if they are submitted before the period of performance expires. If a second extension becomes necessary, the State must submit an additional formal, written request to the Regional Director who will make a recommendation and submit the request to the Senior Procurement Executive, Administration and Resource Planning (ARP) Directorate at Headquarters. As with the first request, the second extension request must be made no later than 60 days prior to the expiration of the period of performance and must include a justification

for the extension. The justification must also demonstrate that work is in progress and it can be completed within the extended period of performance.

c. **Limit on Total Period of Performance**

The total period of performance should not exceed five (5) years.

d. **Deobligation of Funds**

- (1) Any funds not obligated under contract at the project level within the approved performance period will be deobligated and returned to FEMA
- (2) Funds that are obligated under a local project contract will be reviewed to determine work in progress. If work has started under the contract, FEMA will determine if the funding should remain available.

5. Responsibilities

a. Assistance Officers/Grants Management Specialists

- (1) Assistance Officers, in conjunction with program managers are responsible for ongoing monitoring and oversight of HMGP grants to ensure that all program activities are within their periods of performance.
- (2) Assistance Officers can consider extension requests that are made in writing and submitted prior to the period of performance expiration. They can grant these requests if they have signature authority. Note: only people who are authorized to award HMGP grants have the authority to amend HMGP grants.
- (3) Assistance Officers must submit requests for second extensions to Headquarters, ARP Division for approval.

b. Program Managers

- (1) Program managers should inform their states of the new period of performance guidelines.
- (2) Program managers should ensure that all grant agreements specify the period of performance. Note that individual awards may have periods of performance less than three (3) years. Three years is the maximum allowable period.

- (3) Program managers should work with their states to identify projects that are nearing the end of their period of performance or will need period of performance extensions.
- (4) Program managers should make the Assistance Officer aware of any projects that might be in need of a period of performance extension.
- (5) Program managers do not have the authority to grant extensions.

6. **Definitions**

Period of Performance---The period of time shown in the Agreement Articles during which the recipient is expected to perform the activities and obligate the funds included in the approved application for which the funding provided is available. A recipient may not expend FEMA funds after the expiration of the specified period of performance unless that period is extended by FEMA. The recipient has up to 90 days following the expiration of the period of performance to liquidate valid expenditures made in the performance period.